CONTRA COSTA COUNTY
Office of the County Administrator

ADMINISTRATIVE BULLETIN

Number: 615
Section: ~~December 10, 2009~~ Purchasing

SUBJECT: Issuance of Incentives ~~for County Programs and Services (~~, such as ~~gift cards and vouchers)~~Gift Cards and Vouchers, for Program Participation

I. **APPLICABILITY.** This bulletin ~~is applicable~~applies to all County departments and special districts~~, implementing incentive programs, such as~~ using incentives like gift cards and vouchers~~,~~ to promote ~~certain~~ County ~~program~~programs and services~~.~~, directly or through a contractor.

~~I.~~

II. **AUTHORITY.** In accordance with the provisions of County Ordinance Code Section 24-4.008, the County Administrator has the authority and responsibility to establish and enforce purchasing policies in County departments and agencies, including the purchasing of incentives for certain County programs and services.

Article XVI, ~~section~~Section 6 of the California Constitution prohibits the ~~gift of~~ County from spending state or local, public funds~~. However, if a gift card or voucher promotes a valid and substantial~~ to purchase gifts for private persons unless doing so serves a legitimate, public purpose within ~~the authorized~~ a public agency's mission ~~of a public agency, the prohibition does not apply.~~.

III. **PURPOSE.** ~~The County Budget, as adopted by the Board of Supervisors, includes budgetary provision for specific programs and services administered by County Departments. County Departments may wish to promote certain County programs and services by providing incentives, such as gift cards or vouchers, which are related to the program or service. In some instances, outside funding is secured for the specific purpose of providing incentives. This bulletin sets forth County policy and procedures for the purchase and distribution of incentives, such as gift cards and vouchers.~~This bulletin outlines the policies and procedures for County Departments to follow when issuing gift cards or similar incentives to promote participation in County programs and services.
~~POLICY. The use of incentives, such~~

IV. **DEFINITIONS.**

Following are definitions for terms used in this bulletin:

1. Gift Card: A prepaid, stored-value card or electronic record that can be used as ~~gift cards~~an alternative to cash for purchasing goods or public transportation from a specific retailer or group of affiliated merchants. The recipient is entitled to items or public transportation of a specific value from the issuer, and ~~vouchers, to promote certain~~ the card's value is decreased with each use.

2. Agenda Item Request: A request for the Board of Supervisors to consider a staff recommendation in a staff report along with any related resolution or ordinance. The County ~~programs~~Administrator's Office reviews and presents the report to the Board with a recommendation. See County Code 24-4.009(b).

3. Purchase Order: A formal document issued by the County Purchasing Agent to buy materials, supplies, or equipment. It details the goods, quantity, price, payment terms, shipment date, and other conditions. When accepted by the seller, it becomes a binding contract for both parties.

~~IV.~~4. Warrant Request: An allowable method to purchase goods and one-time services ~~may be authorized consistent with this~~ under $5,000, and certain items over $5,000. County Ordinance Code section 1108-2.222 and Resolution No. 2023/260 allow departments to buy, with limitations, directly from vendors without using the Purchasing Agent. Administrative Bulletin No. 600 lists eligible purchases.

~~V.~~ **AUTHORIZATION FOR** ~~PURCHASING INCENTIVES.~~**PURCHASE OF GIFT CARDS.** The Board of ~~Supervisors~~Supervisors' authorization must be obtained prior to ~~the purchase of incentives for a certain County program or service. Board approval may be obtained when the~~

V. ~~Board approves funding provided to the~~ purchasing Gift Cards, whether directly or through a contractor, for any County ~~by~~program or service. This can be included in the Board's approval when accepting funding from an outside entity, such as a grant, if the Board Order ~~to accept the funds~~ also ~~includes approval for~~authorizes the purchase of incentives as ~~set forth in 1-4~~outlined below. If ~~the Board Order to accept funding does not also include authorization to purchase incentives, then~~not, separate Board approval must be obtained by the Department Head or designee ~~must obtain separate Board approval to purchase incentives~~.

Prior to seeking authorization from the Board of Supervisors, Department Heads ~~may request approval by the County Administrator's office to seek the Board of Supervisor authorization to purchase incentives when funding is provided to the County by an outside entity, such as a grant, via an~~ must submit an Agenda Item Request~~.~~ to the County Administrator for review. The Request must:

~~I. Document how the proposed incentive program will effectively promote a certain County program or service.~~

~~2. Include the amount provided to the County for the purchase of incentives.~~

~~Identify the number, dollar amount, and type of incentives to be purchased by the County.~~

~~3.~~

~~4. Specify whether or not a County match is required as part of the incentive program. If a County match is required, the Board Order must clearly state the total amount of County funds to be expended.~~

1. Explain how issuance of Gift Cards will advance or promote a County program or service;

2. Indicate whether Gift Cards will be purchased and issued by the County or by a County contractor;

3. State the maximum budget and funding source for purchasing gift cards, including any local match funds for outside grants; and

4. Identify the number, dollar amount, and type of incentives to be purchased by the County or its contractor.

The County Administrator's Office will review ~~the Agenda Item Request and, if appropriate,~~ and forward the ~~item~~Agenda Item Request to the Board of Supervisors with a recommendation.

~~VI.~~ VI. **PROCEDURES ~~FOR PURCHASING, PAYING, AND~~**

~~only by order or resolution of the Board of~~

~~DISTRIBUTING INCENTIVES~~WHEN COUNTY DIRECTLY PURCHASESAND DISTRIBUTES GIFT CARDS.

~~I.~~ ~~The Purchasing Agent may purchase,~~ ~~on behalf of a County Department, gift cards, vouch~~ ~~rs, or other~~ ~~Supervisors.~~ ~~incentives~~

~~2. Reimbursement for gift cards or vouchers may not be made on an~~ The Purchasing Agent may only purchase Gift Cards with an order or resolution from the Board of Supervisors. Purchase of Gift Cards cannot be reimbursed after the fact, including, but not limited to, reimbursement via an Employee Demand, Procurement Card, or from Petty Cash.

~~3.~~ ~~A certified board order or grant document that specifies the number, amount and type of incentive must be attached to the accounts payable voucher in order for the certified board order to be paid.~~ A ~~certified board order or g~~rant document that specifies the number, amount and type of incentive must be attached to the accounts payable voucher in order for the expenditure to be paid. No expenditure will be paid that exceeds the limit specified on the board order or grant document.

~~4.~~ ~~Gift cards shall not be distributed to County employees or members of County Advisory Boards or Commissions.~~

~~5. Only gift cards or vouchers for~~ Gift Card purchases are restricted to those from department stores and other retail ~~cards~~outlets (e.g., Starbucks, Jamba Juice, etc.~~) qualify as non-cash awards. Such gift certificates,~~

1. ~~vouchers or cards must confer only the right to receive~~.). Gift Cards may only be redeemable for tangible personal property~~, not~~ or public transportation services. Gift Cards may not be redeemable for cash or ~~the ability~~ to reduce the balance due on the recipient's account with the merchant.

~~Visa, MasterCard, or American Express Gift Cards purchases are prohibited. Such gift cards closely resemble cash and could be "gifts of public funds."~~

~~7. The purchase of gift certificates for services is prohibited.~~

~~6.~~

~~The value of the gift card, voucher, or incentive must be reasonable in relation to the actual or expected County benefit.~~

~~8.~~

~~9. Departments must have procedures in place on the secure handling and distribution of gift cards, vouchers and other Gift Entitles.~~

2. ~~Visa, Master Card, or American Express Gift Cards~~ purchases are prohibited. Such gift cards closely resemble cash and could be construed as "gifts of public funds."

3. Gift card distribution shall be limited to one per client per year for each programmatic goal at the discretion of the County program administrator.

4. The purchase of Gift Cards for services other than public transportation is prohibited.

5. The value of a Gift Card must be commensurate with the expected benefit to the County. County staff responsible for issuing gift cards must determine that the client has achieved or taken substantive steps toward program goals or otherwise verify participation in County programs prior to issuing a Gift Card to the client.

6. Gift Cards cannot be distributed to County employees or members of County Advisory Boards or Commissions.

7. The Department must include the Board of Supervisors' authorizing order and approved purchase order listing the remaining budget with its request to the Auditor for payment of an invoice. The Auditor shall not make payments in excess of the remaining budget.

8. Departments must put written procedures that detail and require secure handling and distribution of Gift Cards in their possession. Procedures shall include, but not be limited to, the following:

~~Procedures shall~~

a. ~~Paying~~Gift cards may be purchased by purchase order or by warrant request.

~~a.~~b. Making payments against a purchase order ~~allows~~assists the Department ~~to track the amount paid so as not to exceed the~~in tracking expenditures and ensuring compliance with authorized ~~limit. Should a department choose to make~~limits. If payment ~~on~~is made via warrant requests, ~~then some other method of~~an alternative tracking ~~would need to~~method will be ~~developed, e.g., insert~~necessary, such as including the grant ~~number~~ or board resolution number ~~into~~in the description field.

~~b. Gift cards, vouchers, and other incentives are a form of cash and should be treated as such. Departments that purchase gift cards, vouchers and other incentives, must have a written procedure on how to distribute, safeguard, and document their use that will provide sufficient oversight and security against any misuse or loss. The Department will appoint a custodian to oversee the safeguarding and tracking of these items. Gift cards, vouchers, and other incentives shall be kept in a locked and secure~~

~~location with access limited to authorized personnel only. Gift Card Log (sample attached) shall be maintained documenting the following~~

- ~~Date received into inventory~~
- ~~Serial number of each item~~
- ~~Date issued~~
- ~~Client name or identification number~~
- ~~Reason for issuance~~
- ~~Monetary value~~
- ~~Client initials upon receipt~~
- ~~Custodian initials verifying client receipt~~

~~Management should conduct periodic, unannounced audits of the log and gift cards, vouchers, and other incentives to ensure that the undistributed items listed on the log correspond to the inventory on hand. Shortages must be reported when discovered in accordance with the procedures in~~
~~Administrative Bulletin 207. The Auditor will include a review of the~~

c. ~~Department~~ Departments must establish and maintain written procedures detailing how Gift Cards are recorded, securely stored and distributed to prevent misuse or loss. Each Department must designate a custodian who shall be responsible for securing and tracking inventory of Gift Cards. All Gift Cards must be stored in a locked and secure location with access limited to authorized personnel.

d. The Department shall keep a Gift Card Log (sample attached) that contains the following information:

- Date received into inventory
- Serial number of each Gift Card
- Monetary value
- Description of Gift Card

Once a Gift Card is issued to a client, the log should be updated to include:

- Date issued
- Client name or identification number
- Reason for issuance
- Custodian initials verifying Client receipt

The Department should periodically perform audits to verify that the log entries match purchase orders and gift card inventory. The Department must immediately report any shortages pursuant to the procedures set forth in Administrative Bulletin 207. The Auditor will conduct a review of the Department's Gift Card procedures and compliance with those procedures during its routine departmental audit.

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VII. PROCEDURES AND POLICIES WHEN COUNTY CONTRACTORS PURCHASE AND DISTRIBUTE GIFT CARDS

1. Board of Supervisors approval is required before any contract authorizing a contractor to buy and distribute Gift Cards to promote a County program or service can be executed. A Board of Supervisors order or resolution that specifies the funding source, budget, quantity, amount, and type of Gift Cards must be attached to a request for payment for a contractor to be reimbursed for the purchase of Gift Cards.

2. The Service Plan for any County contract allowing the purchase and distribution of gift cards or monetary incentives must specify the maximum amount to be spent, the maximum value of each incentive, and reference any grant funding restrictions.

3. Special Conditions governing program incentives shall be incorporated into any such contract, substantially in the form provided on the County's Contract Forms Intranet site <<INSERT LINK HERE>> and as approved by County

Counsel.

Monica Nino
County Administrator

Originating Department: County Administrator

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INCENTIVE CARD LOG

Department: _____

Program Name: _____

Purchase Date	Type of ~~Iuceutive (i.~~Incentive (e.~~Tar11:etg.,~~ Target, etc~~).~~)	Giftcard Number	Issue Date	Client Name/ID	Reason for Issuance	Amount	Client Initial	Staff Initial
6/1/2009		5001-0000-0000-~~000I~~0001	6/15/2009	***SAMPLE***	***SAMPLE***	10.00		
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